



PERFORMANCE APPRAISAL SYSTEM: A MANEUVER TOWARDS EFFICACY AT MODERN INDUSTRIES

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ABSTRACT

Performance Appraisal is vital for every person. It's a taste of their performance. Henceforth the system needs to be effective enough to yield appropriate results. Modern Industries possess a saga of rigorous development as they are leading manufacturers railway wagons. They form one of the corner stone of nation's development. They undertake numerous measures to make their employees trainings influential as it has been one of the finding of our paper that majority of them believe that their organization's performance appraisal provides them overall development.

Keywords: Employees, Modern Industries, Organization, Performance Appraisal, Railway etc

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1. INTRODUCTION

Modern industries, Delhi is one of the principal manufacturers of Railway Wagons. Over the last 60 years, they possess a saga of robust development, transformation and technical up-gradation. Their investments target the development of nation. The organization exists to yield vigorous training programs to the entire employees so that they are well equipped with the new skill sets. They empower themselves by undergoing different innovations in order to attain quality. They have augmented industrial capacity to manufacture varied types of wagons per day which find its utility for carrying bulk Cement, liquid oxygen gas etc. Normally, they intend to produce 15 wagons per day.

Modern industries believe that the principle target of execution evaluations is to quantify and improve the exhibition of workers and increment their future potential and incentive to the organization. Different goals incorporate giving criticism, improving correspondence, understanding preparing needs, explaining jobs and obligations and deciding how to apportion rewards.

1. Providing Feedback.
2. Facilitating Promotion Decisions.
3. Rightsizing or Downsizing Decisions.

2. REVIEW OF LITERATURE

Cleaveland J.N. et al (1989) conducted a survey on American Psychological Association and found that organizational characteristics were strongly linked with the appraisal. Folger R et al (1992) found that presence of political tactics does not lead to an impressive performance analysis. Fletcher C (2001) presented a contemporary agenda on performance appraisal and then emphasized on cultural difference as well as novice technology impact on it. Levy P.E and Williams J.R (2004) have reviewed nearly 300 articles and found that performance appraisal is an important process and has huge implications from development of theories to the real time applications. DeNisi A.S. and Pritchard R.D. (2006) researched on the prevalent trends and generated a model of employee appraisal.

3. RESEARCH METHODOLOGY

Area of study: Modern industries

Non-probability sampling (convenience sampling)

Period of study: 22 days

Sample size: 50

Data collection:

Primary through questionnaire

Secondary through published research work, journals, etc.

Tool: SPSS

4. DATA ANALYSIS

Exploratory factor analysis – All statements need to be unidirectional in nature

Table 1 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.519
Bartlett's Test of Sphericity	Approx. Chi-Square	81.681
	Df	45
	Sig.	.001

Kaiser- Meyer- Olkin check the adequacy of the sample. The value of KMO is .519 which means that sample is having high level of adequacy.

H₀ – there are no factors

Sig. value is .000 which is less than 0.05 so null hypothesis would be rejected and the alternate hypothesis that is “there are factors” would be accepted.

The next table is of communalities which shows extraction value. As we can see that no values are smaller than 0.30 which means that no statements has less than 30% of correlation.

Table 2 Communalities

	Initial	Extraction
@1Iclearlyunderstandthepurposeofperformanceappraisal	1.000	.515
@2performanceappraisalinmycompanyisfair	1.000	.615
@3Performanceappraisalreflectsobjectivelymyperformance	1.000	.687
@4Performanceappraisalisatoolforpromotionandpayfixatio	1.000	.602
@5Performanceappraisalprocessinhelptmysuperiortomanage	1.000	.761
@6Performanceappraisalprocessencouragecooperationandteam	1.000	.484
@7Performanceappraisalinfluencesindividualperformanceposit	1.000	.827
@8Presentappraisalsystemrecognizeimprovedperformanceappra	1.000	.678
@9Performanceappraisalisacareerdevelopmentalandeducation	1.000	.634
@10Performanceappraisalhelpsinoveralldevelopmentofemploy	1.000	.615

Extraction Method: Principal Component Analysis.

Table 2 Rotated Component Matrix

Rotated Component Matrix^a

	Component			
	1	2	3	4
@3Performanceappraisalreflectsobjectivelymyperformance	.760	.317		
@1Iclearlyunderstandthepurposeofperformanceappraisal	.693	-.140		-.119
@6Performanceappraisalprocessencouragecooperationandteam	.645		.223	.130
@5Performanceappraisalprocessinhelptmysuperiortomanage		.845	.191	
@10Performanceappraisalhelpsinoveralldevelopmentofemploy	.338	.687		-.171
@2performanceappraisal inmycompanyisfair	.201		.752	
@9Performanceappraisal isacareerdevelopmentalandeducation	-.191	.363	.669	.133
@4Performanceappraisal isatoolforpromotionandpayfixatio	.383	-.418	.530	
@7Performanceappraisal influencesindividualperformanceposit	.268		.184	.849
@8Presentappraisalsyst emrecognizeimprovedper formanceappra	.314	.232	.308	-.656

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 7 iterations.

Table 3 Total Variance Explained

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.454	24.537	24.537	2.454	24.537	24.537	1.992	19.917	19.917
2	1.684	16.841	41.378	1.684	16.841	41.378	1.668	16.685	36.602
3	1.232	12.321	53.699	1.232	12.321	53.699	1.515	15.148	51.750
4	1.049	10.489	64.188	1.049	10.489	64.188	1.244	12.438	64.188
5	.856	8.564	72.752						
6	.796	7.963	80.715						
7	.646	6.458	87.173						
8	.565	5.652	92.825						
9	.443	4.426	97.251						
10	.275	2.749	100.000						

Extraction Method: Principal Component Analysis.

4.1. Total variance explained

This table shows the components with different eigenvalues

Component Matrix

Table 4 Component Transformation Matrix

Component	1	2	3	4
1	.743	.390	.540	-.073
2	-.471	.798	.021	-.376
3	-.385	.102	.555	.730
4	.280	.448	-.632	.566

Extraction Method: Principal Component Analysis

Rotation Method: Varimax with Kaiser

Normalization

Regression

This table provides the **R** and **R²** values. The **R** value represents the simple correlation and is 0.784 (the "**R**" Column), which indicates a moderate degree of correlation. The **R²** value (the "**R Square**" column) indicates how much of the total variation in the dependent variable, can be explained by the independent variable. In this case, 61.5% can be explained, which is moderate.

Table 5 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
					1	.784 ^a	.615	.581	.580	

a. Predictors: (Constant), REGR factor score 4 for analysis 1, REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1

b. Dependent Variable: @10Performanceappraisalhelpsinoveralldevelopmentofemploy

Table 6 ANOVA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.227	4	6.057	17.986	.000 ^b
	Residual	15.153	45	.337		
	Total	39.380	49			

a. Dependent Variable:

@10Performanceappraisalhelpsinoveralldevelopmentofemploy

b. Predictors: (Constant), REGR factor score 4 for analysis 1, REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1

ANOVA table shows the variation between the independent variables

H₀ – there is no impact of independent variable on dependent variable.

P value is .000 which is less than 0.05, so null hypothesis is rejected which means that **there is the impact of independent variable on the dependent variable**

Table 7 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.180	.082		50.935	.000
	REGR factor score 1 for analysis 1	.303	.083	.338	3.655	.001
	REGR factor score 2 for analysis 1	.616	.083	.687	7.427	.000
	REGR factor score 3 for analysis 1	-.003	.083	-.003	-.035	.972
	REGR factor score 4 for analysis 1	-.153	.083	-.171	-1.848	.071

a. Dependent Variable: @10Performanceappraisalhelpsinoveralldevelopmentofemploy

Coefficients table shows two types of β (unstandardized and standardized)

Unstandardized β is used for forecasting and prediction while standardized β is used for ranking. So from the above table, the equation can be easily formed:

Overall satisfaction

$$= 4.180 + .303(\text{factor 1}) + .616(\text{factor 2}) - .003(\text{factor 3}) - .153(\text{factor 4})$$

I clearly understand the purpose of performance appraisal.

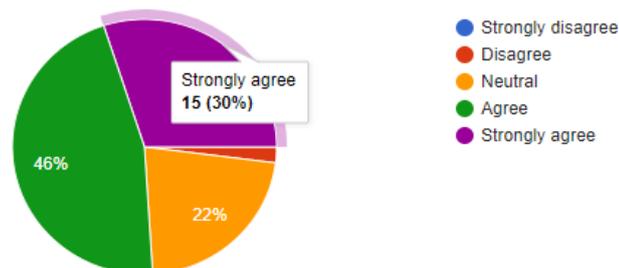


Chart 1 Purpose

Performance appraisal in my company is fair.

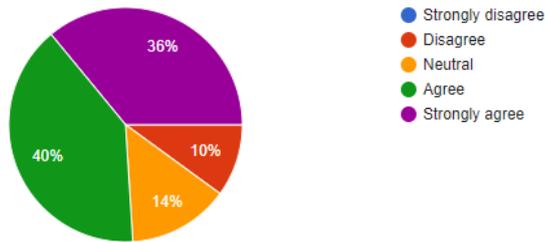


Chart 2 Process

Performance appraisal reflects objectively my performance

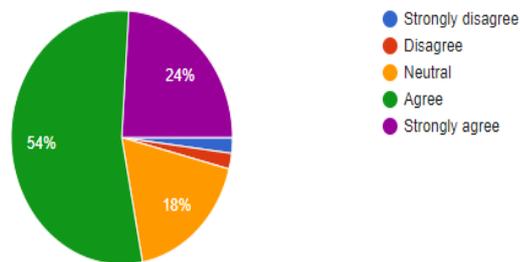


Chart 3 Objectivity of performance

Performance appraisal is a tool for promotion and pay fixation

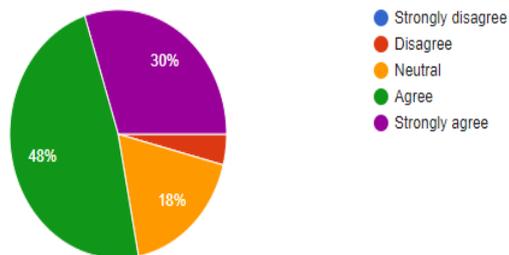


Chart 4 Tool for promotion

Performance appraisal processes helps my superior to manage people better.

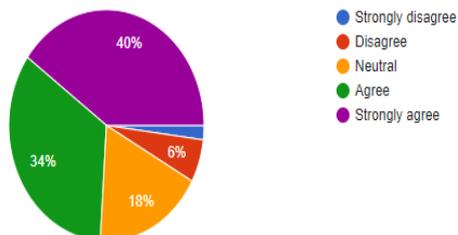


Chart 5 Performance management

Performance appraisal encourage co-operation and team spirit

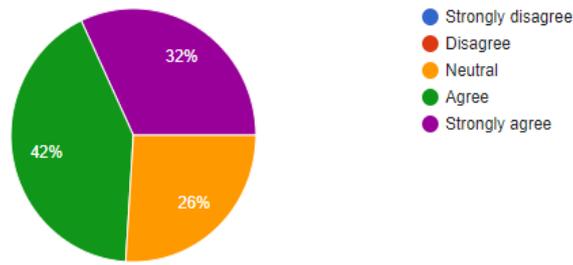


Chart 6 Co-operation and team spirit

Performance appraisal influence individual performance positively.

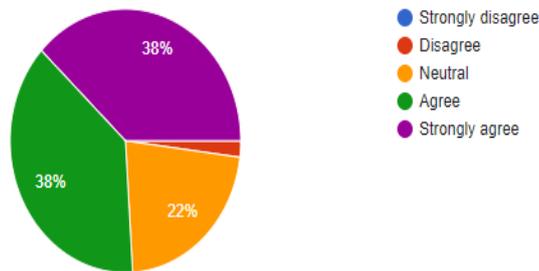


Chart 7 Individual performance

Present appraisal system recognize improved performance appraisal

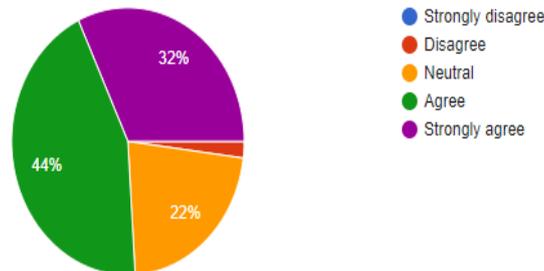


Chart 8 Improved performance appraisal

Performance appraisal is career developmental and educational tool.

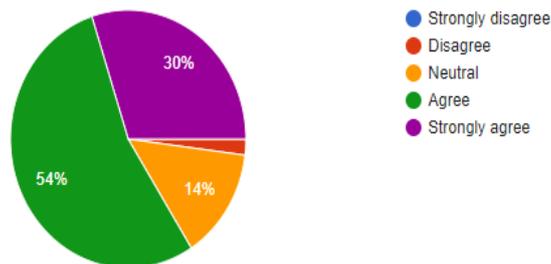


Chart 9 Career development

Performance appraisal helps in overall development of employees in “Modern industries”

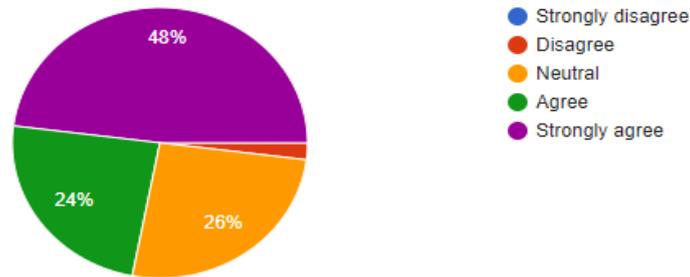


Chart 10 Overall development

Findings include the following:

1. Most of the employees are agree with the purpose of performance appraisal is clear to them.
2. 36% are strongly agree with the performance appraisal in Modern industries is fair while 40% of employees are agree.
3. 54% of employees are agree with the performance appraisal reflects objectively their performance while, 18 % of employees are neutral and 2% are disagree with this statement.
4. Most of the employees are agree with the performance appraisal is a tool for promotion and pay fixation and few are disagreed with this statement.
5. Most of the employees are strongly agree with the performance appraisal process helps their superior to manage people better.
6. 26% of employees are neutral with the performance appraisal process encourage co- operation and team spirit.
7. 38% of employees are strongly agree and same percent of employees are agreed with the performance appraisal influence individual performance positively and few are disagreed with this statement.
8. 44% of employees are agree with the present appraisal system recognize improved performance appraisal while 32% of employees are strongly agree with this statement and 2% of employees are disagree.
9. 54% of employees are agree with performance appraisal is a career development and educational tool and 14% of employees are neither agree nor disagree with this statement.
10. Most of the employees are strongly agree with the performance appraisal helps in overall development of employees.

5. CONCLUSION

The study says that all the employees in the organization are not aware about the performance appraisal system. As the performance appraisal system motivate the employees to achieve the targeted goals. The management have to make the system of performance appraisal clearer to the employees. Modern industries have been running successfully for past several years and has created good name among the employees and in the society. Performance appraisal can be conducted more effectively by using the right tools and properly reviewing and updating the

performance appraisal program. Suggestion from the employees and their staff members can enhance and make the performance appraisal an ideal evaluation system.

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